

U.S. DEPARTMENT OF COMMERCE
International Trade Administration
Medical Device Trade Mission to
Vietnam, Thailand, Malaysia, and Singapore
September 21–October 3, 2003

A senior-level official from the Office of Microelectronics, Medical Equipment and Instrumentation, International Trade Administration, will lead a medical device trade mission to Hanoi and Ho Chi Minh City, Vietnam; Bangkok, Thailand; Kuala Lumpur, Malaysia; and Singapore. The mission will include representatives of U.S. medical and dental equipment firms interested in entering or expanding existing business in these Asian markets. Although the focus of this mission is medical devices, a limited number of firms from healthcare services, pharmaceutical, and biotechnology industries may be included depending upon interest. The participation fee is based on the country stops chosen by the respective participant.

Commercial Setting

The Southeast Asian countries included in this trade mission represent markets that are dedicated to providing improved healthcare to their citizens through modernization and upgrading of national medical systems. Although the countries selected for this trade mission are diverse in terms of economic buying power, each country provides unique opportunities for U.S. companies.*

As these countries improve healthcare services, they will need to meet growing demand for medical devices through imports. U.S. medical equipment is favorably received in this region, but buyers are most likely to source products from U.S. firms with solid distributorships and good regional contacts. U.S. firms also need to position their product lines in response to the dynamics of each country's market.

This U.S. Department of Commerce trade mission is the ideal way for small-and mid-size companies (which represent 90% of the U.S. medical-device industry) to evaluate these markets and make important business contacts. With the exception of Singapore, the countries on this trade mission pose challenges with regard to medical device product registration and local procurement policies. These challenges, combined with a lack of knowledge of the real opportunities presented by these countries and uncertainty over how to successfully target buyers in these markets, often keep small-and mid-sized companies from considering Vietnam, Thailand, or Malaysia. With the U.S. Department of Commerce help, companies will learn about local market conditions and regulatory requirements. In addition, these markets have a relatively small number of buyers, so mission participants will have a good opportunity to meet the key decision-makers in each country. This trade mission is designed to help U.S. companies

* Market sizes for each country are estimated based on data from a variety of trade sources. Actual U.S. shipments in 2002 have been compiled from tariff and trade data from the U.S. Department of Commerce, the U.S. Treasury, and the U.S. International Trade Commission.

overcome market challenges by allowing them to gain the knowledge and contacts they need to successfully take advantages of the opportunities that exist in these countries.

Vietnam

In February 2000, the Government of Vietnam issued a five-year plan that encouraged the upgrading of medical equipment, the development of hi-tech centers nationwide, and the training of more skilled medical personnel. Because the country is relatively poor, it relies heavily on overseas aid and loans to fund its healthcare reforms. Many countries, including Japan and the United States, provide project money, while large banks such as the World Bank and the Asian Development bank provide loans for Vietnam's healthcare.

With a population of 80 million, Vietnam represents an emerging market with good potential. The medical device market is estimated at around \$60 million per year. Basic medical items or entry-level product lines with appropriate technologies and economic pricing sell best in this market. Vietnam's regulatory system for medical devices is in the early stages of development and has few specific regulations; however, the Ministry of Health must approve items used in Vietnamese hospitals.

Currently, the United States holds only a small market share, representing 10 percent to 12 percent of the country's medical imports. This market share, however, has been increasing steadily since 1994 when the U.S. lifted its trade embargo. In 2002, the United States shipped \$10.2 million worth of medical devices to Vietnam.

Thailand

Thailand's total medical device market is about \$320 million per year, although estimates vary widely. With the Thai economy showing renewed vigor, the medical-device market in Thailand has picked up slightly in the past two years. In 2003, growth in the market for medical device is expected to reach 10 to 20 percent, as hospitals replace devices purchased before the 1997 economic crisis.

The Thai Food and Drug Administration must approve all medical products used in the country. Approvals can only be granted to local companies, so U.S. firms must work with a local agent to enter this market. The Thai FDA is working to address complaints about restrictive regulations and the slow approval process.

Thailand relies heavily on imported medical devices and almost all high-tech equipment is imported. Sales are best achieved through distributors who call directly on private-sector hospitals and clinics. Medical devices from the United States are very well received, accounting for about 32 percent of the total imports. The United States shipped \$46.7 million worth of medical devices to Thailand in 2002.

Malaysia

Malaysia is one of the wealthier countries in Southeast Asia and it places a great deal of emphasis on improving healthcare. Under the Malaysia Government's 8th Economic Plan (2001–2006), US \$1.5 billion will be allocated to further develop health services, an increase of 47 percent over the previous plan. Thirty new hospitals, as well as outpatient clinics and specialty centers, are planned. Malaysia is also committed to expanding private-sector care and is planning a national healthcare insurance scheme.

Companies with products approved by the U.S. FDA or the European Union (CE Mark) will have little problem getting approval for sale in Malaysia. The country imports between 80 and 90 percent of its medical-device needs. Malaysia's medical device market was estimated to be

about \$220 million in 1999 and may currently be as high as \$260-270 million. The United States holds approximately a 30-percent share of imports, and shipped \$63.8 million worth of medical devices in 2002.

Singapore

Singapore has a strong economic position in the region, with solid growth and close trade links with Europe, United States and Asia. Singapore spends approximately 3 percent of its GDP on healthcare, representing per capita expenditure of around \$800, the second highest in Asia after Japan. In 2000, Singapore's national healthcare expenditure was \$2.73 billion, out of which, government expenditure on health services was \$712 million or 0.8% of GDP. According to trade sources, the market for medical devices will continue to grow, stimulated by Singapore's role as a regional medical and research hub, as well as by the government's strong emphasis on healthcare. As a center of medical excellence, Singapore has access to a population of over 400 million in South East Asia and over 3 billion in the entire Asia Pacific region. The Singapore government is focused on moving up the value chain by building up services that assist research and healthcare delivery in Singapore and the region. With 23 public and private hospitals and six specialty centers, Singapore has the expertise in clinical research in various specialties.

Singapore has one of the most open regulatory systems in the world and accepts FDA-approved products and those with the CE Mark without further testing. The Health Sciences Authority's Centre for Medical Device Regulation (CMDR) is in the midst of implementing a system of statutory control to safeguard the quality safety and efficacy of medical devices available in Singapore. The control measures are expected to take effect in the second quarter of 2003. Singapore imports approximately \$520 million worth of medical devices. A large percentage of this equipment is re-distributed to other parts of Asia. Actual local-market demand is estimated at around \$150 million. The United States supplies almost 45 percent of imports, shipping \$143.5 million in 2002.

Mission Goals

The objective of this trade mission is to introduce U.S. companies to government officials responsible for medical regulations and healthcare, public and private hospital buying agents, and other potential business partners. The mission will focus on identifying opportunities for sales of U.S. products to the countries on this trade mission.

Mission Scenario

Participants will visit up to four countries:

Vietnam—There will be two stops. The first stop is Hanoi, the capital, where the mission will have access to a major municipal market as well as central government officials. The second stop will be Ho Chi Minh City, the business capital of the country.

Thailand—The mission will visit Bangkok, the capital city and major urban center of the country.

Malaysia—The mission will stop in Kuala Lumpur the capital and major business center, with easy access to government officials as well as key industry leaders.

Singapore—Singapore is the final stop where mission participants can meet with both business and government officials.

At each of the stops participants will be briefed on local medical markets. Briefings will be followed by meetings with government regulatory officials and experts on the local healthcare

market and medical industry. Through group events, site visits and one-on-one meetings tailored to each firm's interests, U.S. firms participating in the trade mission will be introduced to potential agents/distributors, hospital administrators, and purchasing managers for medical facilities. In some cases the meetings will be held on site at hotels where participants will be staying, in other cases the meetings will be held off site in administrative offices or at local company offices.

Timetable

The dates of this trade mission are September 21–Oct.3, 2003. Recruitment will begin immediately and should be concluded no later than July 31, 2003. Applications received after that date will be considered only if space and scheduling constraints permit. The tentative schedule for the trade mission is listed below.

Sunday, Sept. 21:	Arrival in Hanoi and informal organizational dinner for Trade Mission participants
Monday, Sept. 22:	Trade mission activities in Hanoi
Tuesday, Sept. 23:	Trade mission activities in Hanoi, late evening travel to Ho Chi Minh City
Wednesday, Sept. 24:	Trade mission activities in Ho Chi Minh City
Thursday, Sept. 25:	Trade mission activities in Ho Chi Minh City, evening travel to Bangkok
Friday, Sept. 26:	Trade mission activities in Bangkok
Saturday, Sept. 27:	Follow-up meetings, as appropriate
Monday, Sept. 29:	Trade mission activities in Bangkok, travel to Kuala Lumpur
Tuesday, Sept. 30:	Trade mission activities in Kuala Lumpur
Wednesday, Oct.1:	Trade mission activities in Kuala Lumpur, travel to Singapore
Thursday, Oct. 2:	Trade mission activities in Singapore
Friday, Oct. 3:	Trade mission activities in Singapore

The precise schedule will depend on the availability of government and business officials, specific goals of mission participants, and air travel schedules.

Participation Fees

First Company Representative

The per-stop participation fee for a company's first representative on the trade mission is as follows:

1 stop:	\$1,500
2 stops	\$3,000
3 stops	\$4,000
4 stops	\$5,000

The choices of stops are:

Vietnam (4 days): Sept. 21–25	Thailand (2 days): Sept. 26 & 29	Malaysia (2 days): Sept. 30–Oct. 1	Singapore (two days): Oct. 2–3
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Additional Company Representative(s)

Companies may send additional representatives on the trade mission for \$800 each regardless of the number of stops in which the additional representative(s) participate.

Criteria for Participant Selection

- Diversity of product mix among participating companies, and the product's relevance to mission goals, including the focus on advanced medical technologies.
- Business opportunities for the company in countries.
- Maximum of 15 and a desired minimum of 10 participating companies.
- Timeliness of complete application and participation agreement, including payment of applicable participation fees.
- Provision of adequate information on company's products/services and primary market objectives, in order to facilitate appropriate matching with potential business partners.

Mission recruitment will be conducted in an open and public manner, including publication in the *Federal Register*, posting on the Internet, press releases to the general and trade media, direct mail and broadcast fax, notices by industry trade associations and other multiplier groups, and at industry meetings, symposiums, conferences, and trade shows.

A company's products or services must be either produced in the United States or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service. Any partisan political activities (including political contributions) of an applicant are irrelevant to the selection process.

Contact

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